SWEDEN COUNTRY COMMERCIAL GUIDE FY 2002

Sweden, the fifth largest country in Europe and with almost 9 million inhabitants has a rich past filled with unique twists and contradictions. Sweden's early history is a saga of wars and occupation of a large part of Europe, reaching its peak in the 17th century when the Swedish King controlled all of the Baltic Rim, much of Northern Europe, and Russia. The defeat of Charles XII by Peter I in 1709 signaled the beginning of the downsizing of the Swedish empire, which ended in 1905 when Norway joined Finland, Denmark, the Baltic States, Western Russia and parts of Germany and Poland in moving out from under Swedish control. Sweden today, known for its unique blend of neutrality, peacekeeping activities and decision to stay out of NATO (while still an active participant in Partnership for Peace programs), is a constitutional monarchy whose King retains purely ceremonial duties.

However, Sweden is once again a dominant force on the global map, but this time it is for different reasons. Today it's information technology, mobile telecommunications and biotechnology that puts Sweden at the top of the charts. Numerous studies place Sweden in the top ten of overall international competitiveness

Sweden is an attractive destination for foreign investment, and for the year just past, attracted the most foreign interest in Scandinavia. As of June 2001, there were over 5500 foreign-owned companies in Sweden, a sharp jump over last year, and U.S. companies are the leaders, with some 775 companies employing 100,000 workers.

Why do companies invest in Sweden? Reasons often cited include low corporate taxes (at 28 per cent, one of the lowest corporate tax rates in the EU), a strong history of quality engineering design and manufacturing, a skilled labor force, and an advanced infrastructure, including world class universities and research centers. But geography still plays a key role, and Sweden offers access to three important markets - Scandinavia, the Baltic Sea Region and EU.

Although some of the hyperbole has died down and we hear less use of the terms “Mobile Valley” or “Wireless Valhalla”, the wireless world has not disappeared. Instead, a process of consolidation appears to be taking place, with Bluetooth technology beginning to appear in products, not just in hype articles. 3G wireless networks will appear first in Sweden and Finland, and there appears to be no diminishment in the rates of penetration of the PC, mobile phone and Internet usage. In fact, a recent survey showed that one in four Swedes used the Internet for shopping in the past six months. U.S. companies continue to open up centers of competency and mobile research hubs. The New Economy has strong roots here in Sweden - Sweden was the first country in Europe to fully deregulate its telecommunications market, and today there are over 40 telecom operators offering plain old telephone service, as well as, broadband initiatives.

But don’t overlook the Old Economy – Saab just announced that it will build the wings for the super-jumbo Airbus. Biotechnology companies are being spun off from successful old-line pharmaceutical companies and Forest industries are doing well, both pulp and paper, as well as manufactured wood products. And on the manufacturing side, Sweden is the third largest total volume exporter of telecoms equipment, including switch gear.

Why do business in Sweden? Sweden is no longer a well-kept secret - it's a dynamic country that offers three distinct markets to U.S. companies - Scandinavia, or the Nordic market with some 25 million consumers, the Baltic Sea Region with its 100 million inhabitants, and the EU, with its 370 million consumers. Adding the Eastern European nations, and that number approaches 700 million. Being early adopters, and keen to follow U.S. and other global trends, Sweden is increasingly being utilized as a test market. English is widely spoken, and with Swedish cities having the largest per capita percentage of Internet users in the world, the country is often touted as being a perfect test lab for online services. Of the world's top ten Internet banks, three are located in Sweden, and Internet stock brokerage is firmly established. Opening up a call center? – consider Sweden. Consumer goods – why not Sweden? Fashion, health and beauty aids, and the list goes on.

A corporate base in Sweden allows a firm to take advantage of its geographic proximity to major markets, and well-developed air and sea links. Swedish airports and seaports are the largest in Scandinavia, and with the completion of the fixed Oresund link between Malmo, Sweden and Copenhagen, Denmark, Sweden becomes an even more attractive location.

Will this growth continue? This is a constant debate in many circles, as Sweden transitions itself from the old economy to the new. Last time around the consensus forecast was for 3.5 percent. Sweden’s GDP growth rate is now around 2.3 percent, with expectations of a recovery to 3 per cent next year. Having said that, the central bank is now beginning to raise interest rates as concern with a growing inflation rate kindles. The U.S. downtown has arguably not yet taken hold in the Nordics, and with the dollar at an all-time high against the Swedish kronor, U.S. exports will slip. Moreover, we are seeing indicators of diminishing order books, and although manufacturing investment will increase by about 7 percent his year, expectations are for weakened investment next year. This summary hasn't mentioned the growing importance of the biotechnology sector, which along with the related pharmaceutical sector is alive and growing, and could kick in a second wave of growth within this decade. The economic difficulties of the early 90's are well behind Sweden, and increasingly, attention is being paid to the notion that the social welfare system must be adapted to today's context. The challenges facing Sweden today are not dissimilar to our own economy - concern about the continuing supply of skilled labor, the need to integrate a sizable immigrant population into the workforce, and rising social costs.

Finally, Sweden is a great place for Americans to do business. U.S. products are highly regarded, and well received. As described later in this report, the legal system provides protection to corporate interests; the political system is stable and the workforce is skilled, efficient and well educated. As stated in earlier reports, the government is business friendly, and prides itself on national treatment and the free flow of goods and capital. Intellectual property is protected, and corruption is not tolerated. The Minister of Trade is on record as stating the government's intent to improve the infrastructure and educational system to consolidate Sweden's position as a leading nation.

- Major Trends and Outlook

The Swedish economic picture has brightened significantly since the severe recession in the early 1990s. Growth has been strong in recent years and even though the economy has slackened during the first half of 2001, in the long run the prospects for growth remain favorable. The inflation rate is low and stable, with projections for continued low levels over the next 2-3 years. Since the mid-nineties the export sector has been booming, acting as the main engine for economic growth. Swedish exports have also proven to be surprisingly robust. A marked shift in the structure of the exports, where services, the IT industry, and telecommunications have taken over from traditional industries such as steel, paper, and pulp, has made the Swedish export sector less vulnerable to international fluctuations, such as the crises in Asia, Russia and Latin America. Exports of telecommunications equipment have expanded particularly rapid in recent years; their share of total exports increased from 5 percent in the early 1990s to around 15 percent in 2000.

The government budget balance has improved dramatically, from a record deficit of over 12 percent of GDP in 1993 to an expected surplus of 8 percent of GDP in 2001. The new, strict budget process with spending ceilings set by parliament, and a constitutional change to an independent Central Bank, have greatly improved policy credibility. This can be seen in the long-term interest rate margin versus the Euro, which is negligible. From the perspective of longer-term fiscal sustainability, the long-awaited reform of old-age pensions entered into force in 1999. This entails a far more robust system vis-à-vis adverse demographic and economic trends, which should keep the ratio of total pension disbursements to the aggregate wage bill close to 20 percent in the decades ahead. (Sweden will not be as severely hit by demographic changes as some other countries, e.g., Japan and Germany.) Taken together, both fiscal consolidation and the pension reform have brought public finances back on a sustainable footing. Gross public debt, which jumped from 43 percent of GDP in 1990 to 78 percent in 1994, stabilized around the middle of the 1990s and started to come down again more significantly from 1999. In 2000 it fell below the key level of 60 percent and is expected to be eliminated within a few years.

These figures show a quite remarkable improvement of the Swedish economy since the crisis in 1991-1993, so that Sweden could easily qualify for membership of the third phase of the European Monetary Union. The government, however, decided for largely domestic political reasons that Sweden would not enter into the EMU from its start on January 1, 1999, but would keep its options open for an entry at a later date. .

In contrast with most other European countries, Sweden maintained an employment rate at around 2 or 3 percent of the workforce throughout the 1980s. However with high and accelerating inflation at this time it became evident that such low rates were not sustainable and in the severe crisis in the early 1990s the unemployment rate increased to over 8 percent. In 1996 the government set out its goal of reducing unemployment to 4 percent in 2000. During 2000 employment rose by 90 000 persons, the greatest increase in 40 years and the goal was reached in the autumn of 2000. The same autumn the government set out its new target –that 80 percent of the working age population will have a full-time job by 2004. (The present employment ratio is 78.3 percent.) However achieving the employment target by 2004 will be difficult owing to a high proportion of disability pensioners, persons listed as chronically ill and students. If the employment target is to be met, unemployment must decrease more substantially without stepping up the rate of wage increases.

Both the IMF and the OECD have recently presented reports noting Sweden’s impressive record of strong growth with regards to monetary and financial stability. Both organizations pointed out, however, that now that a successful macroeconomic framework is in place it is time to embark on a structural reform agenda. The recommendations for reform were very similar; both the IMF and the OECD emphasized reform of the labor market to increase flexibility. Furthermore, they called for lower taxes and highlighted the need to keep within the spending ceilings.

Clearly Sweden needs structural reforms in its labor market. One sign of this is that wage increases were not moderated by the high levels of unemployment during the past decade. Since 1991 real wage increases have exceeded those of most of Sweden's foreign competitors. Many independent observers have recommended fundamental labor market reforms, including the following measures: wage differentiation to reduce labor costs for low skilled jobs and to introduce an incentive to increase individual competence levels; tougher eligibility requirements for unemployment benefits, and a shortening of their duration; cutting income taxes and non-wage labor costs; making the unions and their members bear the cost of the unemployment insurance system; and liberalizing employment protection legislation.

- Principal Growth Sectors

Despite Sweden's recent economic growth, Swedish consumers remained cautious until the second half of 1997, when the first signs could be seen that private household consumption was picking up. Real private consumption expanded 4 percent in 1999 but slackened considerably in the second half of 2000. The underlying macroeconomic environment has been conducive to increase consumer spending. While there was a fall in real disposable income during 1994-1998, households enjoyed an increase in real income of some 3.5 percent in both 1999 and 2000. As indicated by the drop in consumption in the end of 2000, households are experiencing greater doubt about the economic outlook. In coming years, the contribution from private consumption to GDP is expected to decrease, with its share taken over by increasing exports.

Overall public expenditure as a share of GDP will remain high. Although the government is working to fulfill its goal that the state budget should generate an average surplus of 2 percent of GDP over a business cycle, political demands for public spending will keep expenditure cuts marginal in the near term.

- Government Role in the Economy

Sweden combines a free market economy with extensive social welfare services. Central and local authorities play a dominant role in providing educational, health, old age, disability, unemployment, and a wide variety of other social services.

The governing Social Democratic Party, in particular, includes full employment and maintenance of current living standards among its basic planks. While government expenditure is just over 50 percent of GDP, almost half of that amount is expended as domestic transfer payments, the bulk of which are to households.

- Balance of Payments

Sweden is a small country with a large dependence on international trade. The contribution of exports to GDP growth was 43.7 percent in 1997 and the share is expected to increase. Sweden's international competitiveness is therefore of utmost importance.

Competitiveness dropped considerably in the second half of the 1970s, due to a rapid increase in costs. Sweden lost market share and suffered from weaker trade and current account balances. The devaluations in the 1980s improved competitiveness only temporarily, since costs increased faster in Sweden than in its main competitors.

After the Swedish Krona was de-linked from the Ecu in 1992, the currency dropped considerably. Together with drastic rationalization of Swedish industry, this led to increased competitiveness. Sweden started to regain lost market share. The current account returned to surplus in 1994 after nine years of deficit, and was relatively stable to 1999 when it declined from 3.5 percent of GDP in 1999 to 2.4 percent in 2000. The erosion of the current account surplus is not surprising, considering the strength of domestic demand in recent years.

- Infrastructure

Sweden has world-class infrastructure with excellent highway and railway systems, modern ports for containerized shipping, and deregulated telecommunications.

- Bilateral Relationship with the United States

The relationship between Sweden and the U.S. is excellent. A high point in recent U.S. relations was President Bush’s visit to Gothenburg in June 2001 to meet with Swedish leaders and attend the U.S.-EU Summit. The United States and Sweden work very closely on regional issues involving the three Baltic States and Russia, as well as, on EU-related matters. Regardless of political party affiliation, there is an active schedule of official visitors to both countries and regular high-level government meetings.

- Major Political Issues Affecting Business Climate

Parliamentary elections were last held in September 1998. Prime Minister Goran Persson's top domestic priority is to strengthen Sweden’s economy and to combat unemployment. The referendum on European Union Membership was approved on November 13, 1994, and Sweden became a member of the EU on January 1, 1995. Sweden took over the rotating Presidency of the EU from January through July 2001. During its tenure it focussed on the issues of EU Enlargement to include countries of Central and Eastern Europe, improving the environment in the EU, and boosting employment in the Union. Sweden is active in the Council of Baltic Sea States, which promotes close economic and political cooperation among the states bordering the Baltic Sea.

- Political System

Sweden is a constitutional monarchy and a multi-party, parliamentary democracy. While the King is the Head of State, all executive authority is vested in the Cabinet, which is formed through direct parliamentary elections every 4 years. The next election will be held in September 2002. The Cabinet consists of the Prime Minister (Head of Government) and some 20 Ministers. The Social Democratic Party is the current majority party, ruling in an informal cooperation agreement with the Left (former Communists) party and the Greens.

- Major Political Parties

There are seven parties presently represented in Parliament; the Social Democratic Party, the Moderate Party, the Center Party, the Liberal Party, the Left Party, the Green Party, and the Christian Democrats.

Social Democratic Party - Regained power after the 1994 elections. The party has strong ties to the trade union movement and has made reducing unemployment a top priority. Its strongest supporters are blue-collar workers and public-sector employees. It is a proponent of a strong public sector.

Moderate Party (Conservative)- Stands for individual freedom with a minimum of involvement by the Government, low taxes, stimulation of private industry and business, and strong defense.

Center Party - Supported by agrarian groups but includes a significant environmentalist faction. The party wants an economy based on free enterprise, competition and widespread ownership.

Liberal Party - Supports a socially oriented market economy. The party wants an economy that does not lead to the concentration of power, economic gulfs or over-exploitation of the environment. It favors unrestricted immigration and generous aid to developing countries.

Left Party - Based on a socialist/communist tradition, it has traditionally supported a Social Democratic government. The party is strongly against EU membership; it is also the most populist party in the political system.

Green Party - Has a basic vision of a society in ecological balance with nature. The economy must be subordinated to the ecological system. The party has a strong anti-EU stance and backs the political left.

Christian Democratic Party - Stands for morality and values-based governments, is anti-abortion, and wants greater support for homes and families in order to reduce youth problems, alcoholism, crime, and other social problems. Like the Liberals, the party desires more aid to developing countries and a liberal immigration policy.

- Distribution and Sales Channels

Sweden offers American exporters a wide range of methods for the distribution and sale of products. A very high level of efficiency characterizes the distribution system. The Swedish Federation of Trade (Svensk Handel) is the principal organization for private sector importers and traders in Sweden. Its membership includes more than 100 trade associations, whose 20,000 member firms are importers, wholesalers, distributors, agents, and general agents of all types of goods. Approximately two-thirds of all Swedish imports are purchased through wholesalers/importers. Consumer goods and industrial raw materials are usually imported through these channels.

The major distribution centers are Stockholm, Gothenburg and Malmo. Stockholm is the capital and business center of Sweden with a metropolitan area population of 1.8 million. The head offices of most Swedish industrial, and commercial associations, and most large corporations are located in Stockholm. Many multinationals also use Stockholm as the headquarters for Nordic and Baltic operations.

Gothenburg, Sweden's second largest city (population 800,000) is the nation's foremost port for international shipping. Located on the southwestern coast, Gothenburg is also the center of a fast growing industrial complex with a wide spectrum of manufactured products ranging from motor vehicles to petrochemicals.

Sweden’s third largest city and distribution center, Malmo, is located at the southern tip of the country, a short distance from neighboring Denmark. It is an important port for Swedish shipping to continental Europe. The Oresund bridge and tunnel linking across the straight between Malmo and Copenhagen in Denmark was completed and opened in July 2000.

Helsingborg is also considered an active port in the southwest quadrant of Sweden. The northern two-thirds of Sweden are sparsely populated, but contain many large industrial sites for forest products, mining, and hydroelectric power. Major population centers are Sundsvall, Skelleftea, Lulea and Umea.

- Agents/Distributors - Finding a Partner

Swedish commercial agents are organized under the Federation of Commercial Agents of Sweden (Svenska Handelsagenters Forbund). In collaboration with organizations in the other Nordic countries, it has developed a new contract form for agency agreements. The contract was developed in accordance with the EU "Directive on the Coordination of the Laws of the Member States Relating to Self Employed Commercial Agents" dated December 1986. Specific Swedish legislation sets out the rights and obligations of each party in an agency/principal contract or arrangement. The basic law covering such agreements is found in the Swedish Code (SFS) 1914:45 as amended.

Normally, an exclusive agent or distributor is appointed to cover the Swedish market. Swedish agents/distributors often represent several foreign firms. A visit to the market is the best way to appraise the relative merits of prospective agents/distributors. Close contact between the American principal and the Swedish agent/distributor is very important and should be developed early.

- Franchising

Franchising is one of the fastest growing methods of doing business in Sweden. Franchising is especially popular in the fast food area. Other opportunities exist in the home improvement sector, apparel retailing, and business services.

It is strongly recommended that U.S. companies, which are considering franchising in Sweden, conduct a qualified legal study to ensure full validity and enforcement of franchising agreements. The use of an American franchising agreement without adjustments for Swedish laws and practices could be detrimental to the franchiser's business.

Franchise networks which have been successful in the United States will not automatically succeed in Sweden, but a name that is well-known in the U.S. market does have a great advantage. However, to meet the needs of the Swedish market, U.S. franchisers should be prepared to modify their product mix or implement other changes in their marketing policy in order to boost competitiveness.

For detailed information on franchising contact should be made with the Swedish Franchise Association, Box 5243, SE-402 24 Goteborg, Sweden. Tel: 46-31-83 69 43. E-mail: info.franchiseforeningen@telia.com. Web
Address: franchiseforeningen.a.se.

- Direct Marketing

American exporters of consumer goods may find it advantageous to sell directly to department stores, consumer cooperatives, chains, and other retail outlets. Some of the larger Swedish retailers have purchasing agents in the United States.

Direct marketing is expanding in Sweden. Although well-established mail-order firms strong in the areas of clothing, sporting goods and hardware already exist, there are good opportunities for specialties, such as up-market clothing and sporting goods. Telephone marketing is still relatively rare, but use of cable TV sales channels is growing.

- Joint Ventures/Licensing

In Sweden, a joint venture is an agreement between two or more parties to carry out a project. It is not a legal entity, but only an agreement, and a legal vehicle must be formed to pursue the project. This legal vehicle may be either a limited liability company (AB), with the joint-venture participants as shareholders, or a partnership (HB), with the joint-venture participants as partners. Agreements for production in Sweden of U.S. products are common. Royalty and license fee payments may be freely transferred out of Sweden.

- Steps to Establishing an Office

There are no restrictions on foreign-owned firms establishing companies in Sweden. The legally recognized forms of business enterprise in Sweden are:

- Limited liability company (aktiebolag, abbreviated AB)
  There are two types of limited companies: public and private
- Branch of a foreign company (filial)

- General or limited partnership (handelsbolag, kommanditbolag)
- Sole proprietorship (enskild firma)
- Economic association (ekonomisk forening)

Foreign investors in Sweden historically have favored the limited liability corporate form. A subsidiary of a foreign company established in Sweden in accordance with Swedish law is considered a Swedish company in all respects, and generally no legislative distinction is made between companies whose shares are wholly or principally owned by foreigners and those owned by Swedes.

The founding of a company is governed by the Swedish Companies Act. However, an investor need not bother with these proceedings, as it is much easier to acquire an already registered shelf-company and adapt its articles of association to the needs and intents of the investor.

- Selling Factors/Techniques

Selling techniques are comparable to the practices in the U.S. General competitive factors such as price, quality, promptness of delivery and availability of service are those which determine the success of a supplier. Swedish firms do not change suppliers readily and many commercial relationships have been built up and maintained over decades.

- Advertising and Trade Promotion

Advertising plays a major role in Sweden's commercial life. All types of media are available. Daily newspapers and other publications are by far the most important media accounting for over half of all advertising expenditures. Direct mail is the second most important advertising medium, followed by radio and television commercials. Other forms, useful for certain types of products, are point-of-sale advertising, motion picture advertising, outdoor posters, and billboards. Commercial broadcasting exists and is growing in importance.

In order to place advertisements in newspapers, magazines, and trade journals, an agency must be authorized to do so by the Swedish Publishers Association (Tidningsutgivarna) Box 22500, 104 22 Stockholm. Web address: http://www.tu.se Tel: 46-8-692 46 00. Fax: 46-8-692 46 38. Authorization requires that the agency have experience in advertising and that its books be open for audit by the association.

The major metropolitan papers in Stockholm, Gothenburg and Malmo have wide geographical circulation. The three large Stockholm dailies - Dagens Nyheter, Svenska Dagbladet, and Dagens Industri - enjoy nationwide circulation. While the large dailies in Gothenburg and Malmo (Goteborgs Posten and Sydsvenskan) provide important media for advertising exposure in western and southern Sweden.

Advertising sources are listed below:

Advertising Brokers

Carat Sverige AB
Box 7054, S-103 86 Stockholm

Tel: 46-8-698 68 00; Fax: 46-8-791 84 64
www.carat.se

Gester & Co Mediakonsulterna AB
Box 1782, S-111 97 Stockholm
Tel: 46-8-679 33 00; Fax: 46-8-679 33 90
www.gester.se

Mediekompetens AB
Box 7783, S-103 96 Stockholm
Tel: 46-8-566 146 50; Fax: 46-8-566 146 90
www.mediekompetens.com

TV-Commercials

Airtime AB
Box 17206, S-104 62 Stockholm
Tel: 46-8-562 024 00; Fax: 46-8-562 023 31

Major Newspapers:

Svenska Dagbladet
S-105 17 Stockholm
Tel: 46-8-13 50 00; Fax: 46-8-13 51 40
www.svd.se

Dagens Nyheter
S-105 15 Stockholm
Tel: 46-8-738-10 00; Fax: 46-8-738 19 11
www.dn.se

Sydsvenskan
Krusegatan 19, 205 05 Malmo
Tel: 46-40-28 12 00; Fax: 46-40-93 54 75
www.sydsvenskan.se

Goteborgs-Posten
405 02 Gothenburg
Tel: 46-31-62 40 00; Fax: 46-31-62 43 23
www.gp.se

Business Magazines/Trade Journals

Affarsvarlden (Business weekly)
S-106 12 Stockholm
Tel: 46-8-796 65 00; Fax: 46-8-20 21 57
www.afv.se

Veckans Affarer
Torsgatan 21, SE 113 90 Stockholm
Tel: 46-8-736 52 00, Fax: 46-8-736 50 22

www.va.se

Dagens Industri (Business daily)
S-113 90 Stockholm
Tel: 46-8-736 50 00; Fax: 46-8-31 19 06
www.di.se

Finanstidningen
Box 70347, SE 107 23 Stockholm
Tel: 46-8-506 245 00, Fax: 46-8-14 99 30
www.fti.se

Computer Sweden (Computer industry)
Sturegatan 11, S-106 78 Stockholm
Tel: 46-8-453 62 00; Fax: 46-8-453 62 05
www.idg.se

Dagens Medicin (Medical)
Box 3396, S-103 68 Stockholm
Tel: 46-8-545 123 00; Fax: 46-8-411 01 02
www.dagensmedicin.se

Datateknik 3.0 (Computer technics)
S-106 12 Stockholm
Tel: 46-8-796 66 80; Fax: 46-8-613 30 38

Elektronik i Norden (Electronics)
Box 1387, S-172 27 Sundbyberg
Tel: 46-8-445 20 70; Fax: 46-8-445 20 90
www.elinor.se

ForsakringsVarlden (Insurance)
Kammakargatan 38, S-103 54 Stockholm
Tel: 46-8-791 17 38; Fax: 46-8-10 22 71

S.O.S. Skydd och Sakerhet (Safety & Security)
S-115 87 Stockholm
Tel: 46-8-783 74 50; Fax: 46-8-663 96 52

Motormagasinet (Automotive)
Svenska Pro Motor AB
Box 52, SE-250 53 Helsingborg
Tel: 46-42-16 83 00; Fax: 46-42-16 39 15
www.promotor.se

Habit (Fashion)
Box 27817, S-115 93 Stockholm
Tel: 46-8-670 41 00; Fax: 46-8-661 64 55

Tidningen RES (Travel)
Biblioteksgatan 3, S-111 46 Stockholm

Tel: 46-8-679 82 82; Fax: 46-8-679 57 10
www.res.se

Allt om mat (Food)
Sveavagen 53, S-105 44 Stockholm
Tel: 46-8-736 53 00; Fax: 46-8-21 40 84

Aperitif (Food)
Box 15, S-101 20 Stockholm
Tel: 46-8-545 120 15; Fax: 46-8-545 120 11

ICA-Kuriren (Food)
Box 6630, S-113 84 Stockholm
Tel: 46-8-728 23 00; Fax: 46-8-728 23 50

There are three major trade fair venues in Sweden. Together they host approximately two million visitors each year. The largest is Stockholmsmassan (Stockholm International Fairs) with one million visitors, followed by the Svenska Massan (Swedish Exhibition and Congress Center) and the Sollentunamassan (Sollentuna Fairs). For further information, contact the addresses below.

Stockholmsmassan
SE-125 80 Stockholm
Tel: 46-8-749 41 00; Fax: 46-8-99 20 44
www.stofair.se

Svenska Massan
SE-412 94 Gothenburg
Tel: 46-31-708 80 00; Fax: 46-31-16 03 30
www.swefair.se

Sollentunamassan
Box 174
SE-191 23 Sollentuna
Tel: 46-8-506 650 00; Fax: 46-8-506 652 25
www.sollfair.se

- Pricing

Prices are set individually by companies. According to the Swedish Competition Act (which is in line with EU rules), companies are not allowed to practice price fixing. All goods and services are subject to VAT, which ranges from 12 percent to 25 percent. Products in Sweden are priced using the following formula: CIF price + import duty + excise tax + profit + VAT.

- Sales Service/Customer Support

Sales services and customer support are comparable to the practices in the United States. American firms wishing to enter the Swedish market will have to provide outstanding service and support to successfully replace a Swedish supplier.

- Selling to the Government

In Sweden the EC Council directive on public works contracts has been implemented by means of the Public Procurement Act (Lagen om offentlig upphandling, LOU). Bodies governed by public law must procure goods and services in a businesslike, competitive and non-discriminatory way.

The act applies to bodies that award public works contracts: central government agencies, municipalities, county councils and Church of Sweden units. Also covered by the Act are central and local government-owned companies, associations, special districts and foundations established to perform tasks for the benefit of the public.

The act applies to large as well as to small procurement. In the case of procurement above certain threshold values, the EC directive's rules on advertising, grace periods, and so forth must be applied. The threshold values for supplies and services are SEK 1.7 million (in the utilities sectors there are other higher values and for central government a lower value, around SEK 1.2 million) and for construction contract just over SEK 44 million (threshold values in Swedish currency are determined in an ordinance and apply for a period of two years. To make it possible for all conceivable suppliers to become aware of forthcoming and concluded procurement, notification of such procurement shall be published in the Supplement to the Official Journal.

Procurement below the threshold values must follow the same basic principles as procurement above the threshold values, but the tender procedure is not regulated in as much detail.

The Public Procurement Board is responsible for contacts with public agencies, organizations and the public. One of the tasks is to provide information and general advice on how the Public Procurement Act and the WTO agreements shall be interpreted.

Under the WTO "Agreement on Government Procurement," signatories to the agreement, including Sweden, will not discriminate against or among the products, certain services and construction of other signatories in purchases covered by the agreement. The agreement's coverage extends to purchases of goods by specified government entities (e.g. ministries and Government authorities) listed in the agreement on contracts valued at 130,000 Special Drawing Rights (about $190,000). The list includes all the central government entities of the major developed countries.

The agreement does not apply to purchases of national security items, purchases by local governments, or purchases by any entity that has not been specified as being covered.

To eliminate discrimination against foreign products at all stages of the procurement process, the agreement includes detailed requirements as to how government procurement is to be conducted. Many Swedish government procurement announcements, covered by the code are published in the U.S. Department of Commerce's publication, Commerce Business Daily. Code-covered tenders are also published in the Journal of Commerce, a private sector newspaper.

- Local Government Procurement

Local government procurement has become increasingly significant and in some cases offers American companies excellent trading opportunities. Local governments are not subject to the national procurement procedures but are free to adopt their own procurement rules. The Swedish Association of Local Authorities and the Federation of Swedish County Councils have, however, adopted a recommendation aiming at rules for local government procurement, which follow closely the rules of the national procurement regulations.
As is also the case with procurement on the national government level, purely business considerations determine the methods and sources of procurement by local governments and similar bodies, and no distinction is made between domestic and foreign suppliers or contractors. The normal procedure in inviting bids is through circular letters addressed to firms known to be reputable and reliable. Such firms could be Swedish or foreign, the latter often being the local subsidiary or sales representative of a foreign company. Local governments and their procurement procedures and practices are reputed to be liberal and completely nondiscriminatory in character.

- Health Care Equipment Procurement

The county councils arrange centralized equipment procurement for the medical care sector. The 21 councils are autonomous units, and the degree of centralization varies.

The normal procurement procedure is for the county medical care authority, together with end-users of the equipment, to survey the equipment needs for hospitals and forward them to the purchasing departments. In the case of replacements, the procurement request originates in the hospital department involved, with the decision to purchase made by the county authority. There is a high degree of uniformity in the Swedish hospital organization.

- Protecting Your Product from IPR Infringement

The Swedish legal system provides adequate protection to all property rights, including intellectual property. As a 1993 signatory to the EEA agreement, Sweden has undertaken to obtain adherence with a series of multilateral conventions on industrial, intellectual, and commercial property.

Sweden is a member of the "Paris Union" International Convention for the Protection of Intellectual Property (patents, trademarks, commercial names, and industrial design) to which the United States and about 80 other countries adhere. American business executives and inventors are thus entitled to receive national treatment in Sweden (treatment equal to that accorded Swedish citizens), under laws regarding the protection of patents and trademarks.

American nationals are also entitled to certain other benefits, such as the protection of patents against arbitrary forfeiture for non-working and a one-year "right of priority" for filing a patent application. The "right of priority" period for trademarks is 6 months. Applications or inquiries pertaining to intellectual property should be addressed to:

Director General
Patents and Registration Office

(Patent & Registreringsverket)
Box 5055, S-102 42 Stockholm
Tel: 46-8-782 2500; Fax: 46-8-666 0286
www.prv.se

- Patents

Patents are adequately protected under the terms of the EU agreement, which states that the signatory countries comply in their law with the substantive provisions of the European Patent Convention of 1973, which Sweden ratified in 1980. Protection in all areas of technology may be obtained for 20 years.

Patent applications are examined for inventiveness and, if accepted, published for opposition for 3 months. If no opposition is filed or it is successfully overcome, the application is allowed and a patent is granted.

- Copyrights

Law No. 729 of 1960 as amended governs protection of copyrights in Sweden. The term of copyright protection of a work is for the author's life plus 50 years after the author's death. It includes all literary, dramatic, musical, and artistic works. Copyright includes the sole right to produce and reproduce the work or a translation of it; to publish such a work or translation; to perform it in public; and to authorize others to do so.

Sweden is a signatory to various multilateral conventions for the protection of copyrights. It is a member of the Universal Copyright Convention to which the United States and about 60 other countries adhere. Works of American authors copyrighted in the United States are entitled to automatic protection in Sweden. Authors need only show on such works their name; year of publication and the symbol "C" in a circle to obtain copyright protection.

Sweden is also a member of the "Berne Union" Copyright Convention and the WTO's Trade Related Intellectual Property (TRIPS) Convention.

Swedish copyright law also protects computer programs and databases. However, there have been complaints from American software companies that the law is ineffective since compliance investigations cannot be instituted without prior notification.

- Trademarks

Sweden protects trademarks under the Trademark Act, effective January 1, 1961 and has undertaken to adhere to the 1989 Madrid protocol. Sweden has adopted the Nice International Classification System for registration purposes. Trademark registrations are valid for 10 years from the date of registration and are renewable for like periods.

The first applicant for a trademark is entitled to receive a registration and exclusive ownership. However, if another party can prove he was the first user, he may have the trademark canceled and re-registered to himself. After 5 years, a registration becomes incontestable on grounds of prior use.

Applications are examined and, if acceptable, published for opposition for 2 months. Swedish or foreign official emblems or words, or markings contrary to public order or good morals cannot be registered as trademarks. A trademark registration may be canceled if not used within 5 years, unless the registrant shows an acceptable reason for non-use. The EEA agreement's Article 4 of Protocol 28 covers the subject of semiconductor chip layout design and protection.

- Need for a Local Attorney

This publication gives only general information on business activities in Sweden. Detailed advice in legal, accountancy, fiscal and other matters should be sought from professional advisors. A list of Swedish attorneys can be obtained from the Consular Section of the American Embassy in Stockholm,tel: 46-8-783-5300.

- Performing Due Diligence/Checking Bona Fides

Credit reports on Swedish companies can be obtained by contacting any of the sources below:

Dun & Bradstreet Sverige AB
Box 1529
SE-172 29 Sundbyberg, Sweden
Tel: 46-8-519 010 00
Fax: 46-8-519 013 59
www.dbsverige.se

AB Svensk Uppplysningstjanst
Box 244
SE-201 22 Malmo, Sweden
Tel: 46-40-729 00
Fax: 46-40-23 29 45

UC AB
SE-114 96 Stockholm, Sweden
Tel: 46-8-670 90 00
Fax: 46-8-670 90 20
www.uc.se
(UC AB, the Swedish Business and Credit Information Agency, is jointly owned by all Swedish commercial banks).

Best Prospects for Non-Agricultural Goods and Services

1. Travel and Tourism (TRA)
2. Computer Software (CSF)
3. Computer Software Services (CSV)
4. Telecommunications Equipment (TEL)
5. Telecommunications Services (TES)
6. Security and Safety Equipment (SEC)

7. Computer Hardware (CPT)
8. Medical Equipment (MED)
9. Pollution Control Equipment (POL)
10. Automotive Parts and Accessories (APS)
11. Electronic Components (ELC)
12. Sports and Leisure Products (SPT)
13. Drugs and Pharmaceuticals (DRG)

Sector Rank: 1
Sector Name: Travel and Tourism
ITA Industry Code: TRA

The Travel and Tourism industry is the largest industry in Sweden and the largest export earner for the U.S. The travel to the U.S. increased by 3 percent in 2000. The growth rate is slowing down due to the expensive dollar. Sweden offers good business opportunities for U.S. travel and tourism related organizations. There are 6 major wholesalers and 25 travel/incentive agencies specializing in travel to the U.S.

Swedes enjoy a legislated 5 weeks paid holiday each year and they are avid travelers. In 2000 there were 16 million international arrivals and departures. The United States is the second most popular long-haul destination. In 2000 a record amount of 321,288 Swedes visited the U.S of which 47 percent were business travelers and 51 percent were on holidays. They spent an estimated $725 million in 2000 while in the U.S. (the figure is excluding airfare).

USD Million	1999	2000	2001 (e)
A. Total Sales	15,500	15,800	16,000
B. Sales by local firms	8,700	8,900	8,900
C. Sales by foreign owned firms	6,100	6,400	6,900
D. Sales by US-owned firms	1,100	1,150	1,400
Exchange rate used: USD 1 equals SEK	8.27	9.17	9.20

The above statistics are unofficial estimates

Sector Rank: 2
Sector Name: Computer Software
ITA Industry Code: CSF

Swedish users are early adopters of new technology. This makes Sweden an ideal test bed for new IT products. Swedish industry, with its small domestic market, has recognized the importance of utilizing the newest technologies in order to stand a chance on the international scene. A number of U.S. companies have set up research centers in Sweden as a result of the country's prominent position as an IT nation. The Swedish software market experienced healthy growth in 2000, with and increase of 16.1%. This trend continues into 2001 when the market is expected to grow by 16.8%.

The drivers behind the growth in the application software segment include CRM that support sales, marketing and customers services; adoption of supply chain automation; continued globalization of business, and e-business. High investments in multi-tiered applications are driving demand for distributed systems. As a result, demand for systems software, middleware, serverware and security software will continue. There are around 600 software companies in Sweden that are primarily focused on the market for enterprise resources, data security and encryption software as well as wireless applications. All major U.S. software suppliers are active in the Swedish market. U.S. products are considered to be of high quality and reliable, which makes Sweden an excellent market for U.S. products.

USD Million	1999	2000	2001 (e)
Total Market Size	1,146	1,196	1,386
Total Local Production	859	896	1,038
Total Exports	87	91	105
Total Imports	875	914	1,059
Imports from the U.S.	617	644	746
Exchange rate used:			
USD 1 equals SEK	8.27	9.17	9.20

The above statistics are unofficial estimates

Sector Rank: 3
Sector Name: Computer and Software Services
ITA Industry Code: CSV

The PC market is Sweden is very mature with more than half of Swedish households having access to a PC and Internet access. Moreover, two out of three companies and all enterprises with over 50 employees use IT. The high penetration in Sweden can be explained by a decline in prices and employee purchase schemes. Some key drivers for the IT services sector have been the high Internet penetration and the introduction of E-business, the emergence of CRM and SCM and the deregulation of and privatization in the telecommunication and utility markets. The consulting market was the fastest growing segment last year with a 19.4% increase to USD 441 million compared to 1999, followed by implementation services 16.8% to USD 2 billion. The gain can be attributed to an increased number of e-business projects as well as greater demand for IT solutions in the CRM, SCM and Knowledge Management segments. The third largest was operations management that increased by 12.1% to USD 931 million. Here the gain can be explained by increased demand generally in the outsourcing sector. Support services increased by 7% to USD 812 million with much of the increase related to the need for mission-critical computing. The inhibiting factor in this segment as in the other IT areas is the lack of skilled employees and the difficulty of training and retaining a sufficient number of professionals. U.S. companies are well represented in the segment and will continue to see business opportunities in the near and long terms.

USD Million	1999	2000	2001 (e)
Total Sales	4,107	4,218	4,799
Sales by US-owned firms	1,031	1,055	1,200
Exchange rate used:			
USD 1 equals SEK	8.27	9.17	9.20

The above statistics are unofficial estimates.

Sector Rank: 4
Sector Name: Telecommunications Equipment
ITA Industry Code: TEL

Sweden is one of the most wired countries in the world. The market is characterized by a sophisticated infrastructure with 69.6 lines per 100 inhabitants, a mobile phone penetration of around 70%, and PC penetration of over 70%. In September 2000, 65% of Sweden's population had home access to the Internet. If we include access at work and school, penetration climbs to around 80. Last year, the Swedish government presented a proposal for an IT society for all. The proposal includes investment in the expansion of a broadband network worth $904 million. In 2000, the use of SMS (Short Messaging Services) increased dramatically, indicating that users are ready to use their phones for other services than voice. Expansion of the existing capacity is also being carried out in the backbone and city networks. Extensive expansion of the municipal IT infrastructure has also been carried out over the past few years. Ericsson has been a huge driver of the development of Swedish telecommunications in general and mobile communications in particular. The country is in the forefront of wireless communications and as a result a large number of U.S. companies have established wireless development centers in the country. Among those companies are Microsoft, IBM, Motorola and Intel. Last year, the market for telecommunications equipment increased by 14.5%. The largest increase was in the mobile sector. It is forecast that the market will increase by 12.8%. The largest growth will be seen in mobile telephones, LAN hardware, packet switching and routing equipment and cellular mobile radio infrastructure.

USD Million	1999	2000	2001 (e)
Total Market Size	2,265	2,393	2,695
Total Local Production	4,964	5,246	5,973
Total Exports	3,764	3,978	4,529
Total Imports	1,065	1,126	1,282
Imports from the U.S.	118	125	142
Exchange rate used:			
USD 1 equals SEK	8.27	9.17	9.20

The above statistics are unofficial estimates

Sector Rank: 5
Sector Name: Telecommunications Services
ITA Industry Code: TES

The Swedish market for telecommunications services has been liberalized since 1993. As much as 99% of the Swedish population has access to a fixed line phone, mobile phone penetration is around 70% and PC penetration is over 70%. In September 2000, 65% of Sweden's population had home access to the Internet. Including access at work and school, penetration climbs to around 80%. Last year, the Swedish government presented a proposal for an IT society for all. The proposal includes investment in the expansion of a broadband network worth $904 million, which is expected to drive Internet penetration even further. Stockholm is by many called the wireless capital of the world. Ericsson has been a huge driver behind Sweden's role and a large number of U.S. companies has established development centers in the region, among them Microsoft, Oracle, Sybase, IBM and Accenture Last year the market increased by 8.1%. The largest growth, 14.3%, was seen in CaTV services followed by mobile telephony. The market is expected to increase by 5.1 during 2001 and growth will again be strongest in the CaTV segment and followed by mobile telephony, 6.4% and 17.5% respectively. With its prominent position in the communications sector, Sweden is quite often used as a test bed for international companies. Swedish companies are very often looking to U.S. companies for partnerships inside and outside Sweden.

USD Million	1999	2000	2001 (e)
Total Market Size	5,540	5,380	5,803
Total Local Production	4,709	4,573	4,933
Total Exports	831	807	870
Total Imports	1,662	1,614	1,740
Sales by U.S. firms	1,163	1,130	1,218
Exchange rate used:			
USD 1 equals SEK	8.27	9.17	9.20

The above statistics are unofficial estimates

Sector Rank: 6
Sector Name: Security and Safety Equipment
ITA Industry Code: SEC

The Swedish market for safety and security equipment and services has grown significantly in the recent years and the current turnover is USD 2.1 billion. The estimated growth percentage in 2001 is approximately 20%. The demand for security solutions has been growing a par with and due to the changing society. Sweden has today increasing problems with juvenile delinquency and gangs, 'smash and grab' robberies and organized criminality. All types of data crimes are also rapidly becoming more common. The number of the reported Internet related frauds, for example, has increased by 150% in only two years.

The most promising sub-sectors are equipment for both domestic and corporate security, ranging from simple alarms to complex LSM-systems, integrating fire alarm, passage control, area control and CCTV. In the IT security market the development of PKI and VPN solutions provide good opportunities for U.S. companies, as do alliances between IT security companies and other IT/electronics/manufacturing companies. U.S. made products enjoy a good reputation, but with a keen competition from both domestic and third-country suppliers, e.g. Germany and the U.K. There are no trade barriers or market impediments for security and safety equipment.

USD Million	1999	2000	2001 (e)
Total Market Size	1,915	1,974	2,040
Total Local Production	226	235	240
Total Exports	166	172	180
Total Imports	1,855	1,911	1,980
Imports from the U.S.	25	30	32
Exchange rate used:			
USD 1 equals SEK	8.27	9.17	9.20

The above statistics are unofficial estimates.

Sector Rank: 7
Sector Name: Computer Hardware
ITA Industry Code: CPT

Sweden is one of the most computerized countries in the world. Over 8% of GDP is invested in ICT. The Swedish hardware market grew by 6.2% in 2000 and is forecast to grow by 5.6% in 2001. The market favored the portable area (up 6.5%) while the desktop segment saw a decrease of .3.4%. In the server segment, the low-end server segment was the strongest with a 17.6% increase. In 2001, it is estimated that the low-end segment will continue to see healthy growth with a 16.0% increase and the desktop as well as the portable segments with grow by 1.2% and 8.7% respectively. The server market is driven by the ISP and ASP segments. The PC market is driven by lower prices, ISP offers and continued development of the Internet. The market for handhelds is growing dramatically. In 2000, the market increased by 44%. Had it not been for the shortage of components, the growth rate would have been even higher. For 2001, the market is estimated to increase by 57%. U.S. suppliers are very successful in the Swedish market, and with Sweden's IT maturity, there will continue to be opportunities for U.S. companies.

USD Million	1999	2000	2001 (e)
Total Market Size	2,785	2,657	2,816
Total Local Production	188	179	190
Total Exports	785	749	794
Total Imports	3,382	3,227	3,420
Imports from the U.S.	181*	173*	183*
Exchange rate used:			
USD 1 equals SEK	8.27	9.17	9.20

* Imports from the U.S. is in reality much higher. Above figures do not show imports from U.S. plants within the EU.

The above statistics are unofficial estimates

Sector Rank: 8

Sector Name: Medical Equipment
ITA Industry Code: MED

Health care is regarded as an important part of the Swedish so-called welfare system. A fundamental principle is that all citizens have the right to good health and health care on equal terms, regardless of where they live and their economic circumstances. As a result, Swedish health is by international standards relatively good. The average life expectancy for men is 76.5 years and for women 81.5 years
The factors reshaping the future health care system in Sweden are the increase in an aging population, efforts to contain cost and the influence of new technologies. U.S. suppliers, dominating the import market , enjoy a good reputation. Major third-country competitors include Germany, Denmark/Finland and the U.K. Trade sources expect the demand for telemedicine/medical informatics to show a strong increase in the next few years.

USD Million	1999	2000	2001 (e)
Total Market Size	687	732	767
Total Local Production	1,103	1,154	1,208
Total Exports	1,269	1,233	1,290
Total Imports	853	811	849
Imports from the U.S.	272	266	278
Exchange rate used:			
USD 1 equals SEK	8.27	9.17	9.20

The above statistics are unofficial estimates.

Sector Rank: 9
Sector Name: Pollution Control Equipment
ITA Industry Code: POL

Sweden was one of the first countries in the world to recognize the growing environmental problems and include these on the political agenda. Environmental awareness increased during the 1960s and older regulations governing health care and water pollution were replaced by new legislation to control the emissions of all types of pollution.
Swedish environmental technologies and services firms are active in the areas of air pollution, water pollution, waste management and environmental monitoring. Domestic suppliers of pollution control equipment are strong and world leaders in their respective field, but they look for new development in R&D and the application for new techniques. American products enjoy a good reputation on the market but will find strong competition from both domestic firms as well as third-country suppliers. According to trade sources, the market for water treatment control is mature and well covered, while best sales prospects may be found in products and services related to air pollution control, soil remediation and waste management products/techniques.

USD Million	1999	2000	2001 (e)
Total Market Size	1,218	1,157	1,217
Total Local Production	1,581	1,512	1,600
Total Exports	1,005	960	1,024
Total Imports	642	605	641
Imports from the U.S.	86	81	84
Exchange rate used:			
USD 1 equals SEK	8.27	9.17	9.20

The above statistics are unofficial estimates.

Sector Rank: 10
Sector Name: Automotive Parts and Accessories
ITA Industry Code: APS

Sweden, with a population of about 8.9 million, had 4 million cars in 2000. This corresponds to one car to every 2.2 people. The number of commercial vehicles was 389,000. Half the fleet of cars in use today are more than 10 years old, which is a high proportion compared to many other European countries.

The total import of automotive parts and accessories (HS 87.08) was worth dollars 2.6 billion in 2000. Major supplying countries were Germany (33%), UK (13%) and Belgium (8%). US suppliers accounted for 5.4% percent of the import market.

The best sales prospects exist for products within the "safety" and "environment" sectors. Swedes are very safety conscious and the automotive manufacturers are known to follow high safety standards. In the aftermarket sector products that are related to the Swedish climate enjoy good prospects. Examples are engine heaters for the winter and roof boxes for skis. Steering wheels, rims, mirrors and decorations for the exterior of the car also sell well. Extra lights are also popular, especially as it is very dark for 6 months of the year in Sweden. Areas where US suppliers are doing well are within brake systems, steering systems, body parts and gearboxes/transmissions. Car care products and automotive chemicals are other segments where U.S. firms are strong.

USD Million	1999	2000	2001 (e)
Total Market Size	5,058	6,654	6,963
Total Local Production	6,025	6,899	7,220
Total Exports	3,322	2,811	2,941
Total Imports	2,355	2,566	2,685
Imports from the U.S.	161	138	144
Exchange rate used:			
USD 1 equals SEK	8.27	9.17	9.20

The above statistics are unofficial estimates.

Sector Rank: 11
Name of Sector: Electronic Components

ITA Industry Code: ELC

The Swedish market for electronic components has in the recent years been dominated by the telecommunications sector. Other strong end-user industries are IT, industrial automation and vehicle electronics. The previously strong PC sector is approaching saturation and advanced wireless communications applications, digital television and digital video are gaining larger market shares. Sweden has a strong market for and is actively developing applications such as IP, Bluetooth, 3G and RF. Domestic production is highly specialized and low in volume, and thus not a competitive factor for U.S. producers. The U.S. is the leading supplier of sophisticated components to Sweden, followed by Japanese and German companies, and other Asian suppliers. There are no trade barriers or market impediments for electronic components. The most promising sub-sectors are semiconductors and connectors.

USD Million	1999	2000	2001 (e)
Total Market Size	2,145	2,160	2,238
Total Local Production	750	760	768
Total Exports	1,105	1,120	1,130
Total Imports	2,500	2,520	2,600
Imports from the U.S.	300	310	320
Exchange rate used:			
USD 1 equals SEK	8.27	9.17	9.20

The above statistics are unofficial estimates.

Sector Rank: 12
Sector Name: Sports and Leisure products
ITA Industry Code: SPT

The total sports and leisure market dropped slightly again in 2000. However, despite the expensive dollar US imports increased by 10 percent compared to last year. The sporting goods market excluding sports wear is worth approx. $1.3 billion. U.S. producers traditionally have a strong position in the high-end segment. Golf equipment, snowboards, paint ball equipment, water sports equipment and any of the latest fads (in-liners) are dominated by U.S. producers. New items/quality products are often trend setting and enjoy a very good reputation in general. Three major distributors cover 70 percent of the market. The main volume of the sports market turnover in Sweden is divided between the following categories: bicycles, sportswear and shoes, sports equipment and leisure articles.

USD Million	1999	2000	2001 (e)
Total Market Size	1,339	1,327	1,336
Total Local Production	609	540	574
Total Exports	569	542	545
Total Imports	1,299	1,330	1,341
Imports from the U.S.	55	61	62
Exchange rate used:			
USD 1 equals SEK	8.27	9.17	9.20

The above statistics are unofficial estimates.

Sector Rank: 13
Sector Name: Drugs and Pharmaceuticals
ITA Industry Code: DRG

The Swedish pharmaceutical industry is active in research and drug sales in the areas of oncology, growth disorders and eye diseases, gastrointestinal, respiratory and cardiovascular diseases. The U.S. market share (41.8%) is the highest among foreign suppliers. American pharmaceutical firms are considered world-leaders in research and production, consequently their products enjoy a good reputation. The Swedish pharmaceutical market is highly competitive, but according to trade sources the following areas should represent opportunities for new entrants in the market: antibiotics, anti-asthmatics, impotence treatment, treatments for Alzheimer, AIDS and cancer.

USD Million	1999	2000	2001 (e)
Total Market Size	2,063	1,948	2,043
Total Local Production	4,696	4,581	4,841
Total Exports	3,806	3,700	3,946
Total Imports	1,173	1,067	1,148
Imports from the U.S. **	23	14	14
Exchange rate used:			
USD 1 equals SEK	8.27	9.17	9.20

** it should be noted that the figures quoted reflect direct import from the U.S. U.S. imports are in reality higher (41.8% of total imports, or US$446 mill in 2000) as the market is supplied through U.S. subsidiaries in Europe

The above statistics are unofficial estimates.

Best Prospect Sectors - Food and Agricultural Products

Sweden is a major market for wine, dried fruit, nuts, grapefruit, apples and pears. Demand for organic food products is increasing in addition to products targeted for health-conscious people, high-fiber cereals, pasta products, pasta sauces and fruit juices of all kinds. Also, the Swedish market is strong for spices and condiments. However, major swings in imports can occur from one year to the next, depending on domestic product, availability of product from other EU countries and competitors, and the strength of the U.S. dollar vis-a-vis the Krona. Swedish consumers are prepared to pay for high quality and insist on freedom from chemicals and pesticides. Tolerance levels for salmonella in meat and meat products are stricter in Sweden than in the European Union.

In the fisheries sector, the United States is one of the main suppliers of "Swedish style" crayfish. There is also some interest in Pacific salmon and white fish roe.

In the forestry sector, minor quantities of U.S. hardwood lumber for the furniture industry are being imported. Some softwood lumber is being exported from Sweden to the United States.

For current data on agricultural trade prospects with Sweden, the reader is referred to the following Internet web site:

http://www.usemb.se/Agriculture

This site is maintained by the USDA office in Stockholm, which has regional responsibilities for Sweden, Finland, Norway, Latvia and Estonia. Its content includes an analytical overview of agricultural marketing opportunities in the region, marketing activities of possible interest to U.S. firms, an array of exporter/importer services and links to sites containing a detailed current breakdown of individual country imports/exports of agricultural products subdivided into several product categories (bulk, intermediate, consumer-oriented, forestry and fishery).

There has been increasing competition in the Swedish market from other EU countries and the U.S. must continue to promote its products or lose its market position. In recent years, U.S. wine has become increasingly popular and overall wine consumption in Sweden has increased. However, U.S. wines must continue to be promoted because of the growing availability of other "New World" wines on the market.

FOOD FAIRS - SWEDEN
GastroNord & Vinordic
March 17-20, 2003
Stockholm International Fairs
S-125 80 Stockholm
Tel: 46-8 749 4100
Fax: 46-8 749 6192
Web site: www.stofair.se

- Tariffs and Import Taxes

After Sweden's entry into the European Union on January 1, 1995, the Swedish customs' law and regulations were replaced by the EU law with coherent regulation, which indicates that Sweden applies the external EU tariffs to imports from the United States and other non-EU countries. The EU tariff schedule utilizes the Harmonized System (HS) codes, with 6-digit code numbers. The additional 4-digit code is the so-called Taric digit code number (Taric = Tarif Integre Communautaire). Most industrial products are subject to duty varying from 2% to 14%, although several IT products are free of duty following the IT agreement.

Goods imported into Sweden are subject to a value-added-tax (VAT). The general VAT rate is 25% with a lower rate of 12% for food and certain services as specified in 1996.

Customs procedures, including the classification and valuation of imported goods, are governed by EU rules.

Certain agricultural products are subject to import duties and/or fees, which are imposed in accordance with EU rules and regulations. Among the products subject to these duties and fees are cereals, flour, certain fats and oils, fishery products, butter, cheese, eggs, poultry, meat and some cattle and hogs. During a transitional period and mainly due to animal health protection reasons, Sweden maintains stricter rules on imports of certain agricultural products than the EU. However, Sweden maintains duty-free entry on all products originating in other EU countries.

- Customs Valuation

Virtually all import duties are on an ad valorem basis. The basis for valuation is the standard price of the merchandise and the costs (e.g. transportation, insurance and freight) incurred in connection with the sale and delivery, up to the point of its entry into Swedish or other EU member states' customs territory. Imports are also subject to value-added tax. Some products are even subject to special taxes. Information can be obtained through the Swedish Customs, Head Office (see appendix E.)

- Import Licenses

After Sweden's entry into the European Union on January 1, 1995, import licenses are required for a number of commodities, especially textiles, steel and iron products, foodstuffs and live animals. A complete list of restrictions and licensing requirements is available at http://www.tullverket.se, the website of Swedish Customs.

- Parallel Imports

Large-scale parallel imports are a fairly recent phenomenon in Sweden. Parallel imports occur from countries both outside and inside of the European Economic Area (EEA) within sectors such as clothing, footwear, capital goods, cars, and pharmaceuticals. In 1998, the European Court of Justice ruled in what has become known as the Silhouette Case. In brief, the ruling entails that parallel imports are no longer permitted from countries outside of the European Economic Area. Parallel imports within the EEA zone (i.e. the EU Member States and Norway, Liechtenstein and Iceland) remain both permissible and desirable.

Private imports are quite considerable in certain sectors, including automotive, alcoholic beverages and tobacco products. Recently, direct imports through private channels have increased with the growth of e-commerce. The most common products purchased through the Internet are still CD records, books and computer software/games. Once further standards and security routines for the payment process are in place, a sharp increase in e-commerce trading can be expected. E-commerce is subject to customs duty.

- Export Controls

Export license applications for both military equipment and dual-use goods are handled by the National Inspectorate of Strategic Products (ISP). Licensing decisions are taken by ISP, but matters of fundamental significance should be referred to the Swedish Government for decision.

The legal basis for export control of military equipment is the Military Equipment Act (1992:1300), and the Military Equipment Ordnance (1992:1303). The legal basis for export control of dual use goods is the Council Regulation (EC) No. 3381/94 and on a national basis complemented by Act (1998:397) on Strategic Products and Ordnance (1998:400) on Strategic Products.

- Import/Export Documentation

The documents required from the exporter include a commercial invoice, a bill of lading, and other special certifications as may be necessary. Certificate of origin (or certification of origin as part of the invoice) is required for textile products, based on EU legislation.

There are no stipulations as to the form of commercial invoices, bills of lading, or other shipping documents. According to both the Swedish (and EU) customs regulations the invoice must contain the following information:

- seller's name, signature, and address;
- the buyer's name and address;
- date the invoice was prepared;
- date the purchase contract was concluded;
- number of cases, parcels, or containers;
- the denomination of the merchandise;
- type and gross and net weight plus marking and number;
- product's discounts (and the nature of discount);
- terms of delivery and payment.

Goods that are liable to an ad valorem duty and are shipped on consignment should be accompanied by an invoice as though they had been sold. Shipping documents may be made out in the English language. The standard bill of lading (or an airway bill) suffices for shipment to Sweden. The bill of lading should be completed in accordance with the invoice.

Sanitary certificates, which show the country of origin, are required for goods that may carry contagious animal or vegetable diseases or for goods for which special stipulations are prescribed. Goods subject to these sanitary certificates include live animals, animal products (meat, meat products and animal feed) and vegetable products such as potatoes, live plants and seeds. The sanitary certificate must be legalized by a competent authority in the country of production or export.

- Temporary Entry

Sweden honors the ATA Carnet, an international customs document designed to simplify customs procedures for business and professional people taking commercial samples, advertising materials, film, medical or professional equipment into specified countries for a short period. More than 40 countries participate in the carnet system. The U.S. Council of the International Chamber of Commerce, 1212 Avenue of the Americas, New York, NY 10036-4480 (fax 212-944-0012, tel. 212-354-4480) has been designated by the U.S. Bureau of Customs as the issuing and guaranteeing organization for U.S. companies.

- Labeling, Marking Requirements

Sweden does not require the country of origin marking for imports. However, goods carrying incorrect designations of origin are prohibited, and products made to appear as produced or manufactured in Sweden may not be imported unless the foreign origin is clearly and durably marked thereon.

Special marking regulations and labeling requirements exist for e.g. pharmaceuticals, chemicals and food products. Sweden has very strict health, sanitary and labeling rules and sophisticated capabilities for monitoring product quality. A retail-size food package must show the name of the manufacturer, packer or importer, commercial name of the product, net metric weights or volume, ingredients in descending order of weight, last recommended date of consumption, and storage instructions if perishable or intended for infants. The information described above should be in Swedish and the importers can assist NTM companies in arranging for proper labeling information.

Inspection and food labeling requirements were changed to conform to E.U. regulations when Sweden became a member of the E.U. on January 1, 1995.

- Prohibited imports

Certain goods, such as weapons, explosives, drugs, and poisons may be imported only by authorized persons and institutions, and require import licenses or special permits.

- Standards

Sweden uses the metric system and products for sale in Sweden should be adapted to it whenever possible. U.S. exporters not using the metric system have a disadvantage in world markets since overseas buyers are reluctant to accept products that are non-metric. Further information is available from the U.S. Department of Commerce Metric Program at (301) 975-3690. Electric current in Sweden is 50 Hz, AC 230V single-phase and 230/400V three-phase. Information about Swedish standards may be obtained from:

Swedish Standards Institution
P.O. Box 3295,
S-103 66 Stockholm, Sweden
Tel: 46-8-610 3000
Fax: 46-8-30 1850

Companies can invite an accredited registration body to audit their production and issue a quality system certificate in compliance with the ISO 9000, or other equivalent standards system. Further information can be obtained from Swedac, a government entity for technical control and accreditation:

Swedac, Styrelsen for Ackreditering och Teknisk Kontroll
Box 878,
S-501 15 Boras
Tel: 46-33-177 700
Fax: 46-33-101 392

Since the diversity of foreign standards, regulations, inspection procedures, and certification requirements can constitute a considerable barrier to increasing U.S. exports, American firms should keep abreast of standards abroad. Exporters can get up-to-date information about technical standards by contacting:

National Institute of Standards and Technology (NIST)
U.S. Department of Commerce
Room A 163, Building 411
Gaithersburg, MD 20899
Tel. (301) 975-4038

Information about industrial standards may also be obtained from:

The American National Standards Institute Inc.
11 West 42nd Street
New York, NY 10018
Tel. (212) 642-4900

- Free Trade Zones/Warehouses

There are currently no free trade zones in Sweden, only free trade warehouses at the Stockholm Harbor and Arlanda Airport, but these are not available to all companies.

- Special Import Provisions

EU Customs Union System applies to all imports.

Openness to Foreign Investment

The general government attitude toward foreign direct investment

Until the mid-1980s, Sweden's approach to direct investment from abroad was quite restrictive and governed by a complex system of laws and regulations. During the later part of that decade, however, doubts were raised about the effectiveness and desirability of controlling foreign direct investment (FDI) in Sweden. Such considerations, and Sweden’s entry into the European Union (EU), have greatly improved the investment climate and attracted foreign investors to the country. Sweden is now considered to be an attractive country in which to invest.

Swedish authorities have implemented a number of reforms to improve the business regulatory environment that will benefit investment inflows. They are also seeking ways to ensure wider ownership in Swedish industry, which they feel will increase competition and lead to greater efficiency. As a result foreign ownership in Sweden has increased rapidly in the last decade and foreign-owned firms employed 19% of the work force in the business sector, or 446,893 workers, in 2000. About half of those were employed in service industries.

Possibly the greatest changes in Sweden's general investment climate during the last few years are the result of major developments in the global political and economic picture. Since the former communist countries have opened to world markets, Sweden's geography has provided it with a strategic location at the heart of the Baltic Sea region, in a market of over 100 million people. For emerging markets such as Russia, the Baltic countries, and Poland, Sweden has become a gateway for further eastward expansion.

In addition to these global changes, the Swedish government has pursued a macroeconomic policy that is favorable to the business sector. Inflation has been tamed and stabilized at a very low level. With its conservative monetary policy, the government is preparing the country for possible future membership in the European monetary union. Even though the government decided to keep Sweden outside the EMU from the start, Sweden is keeping its options open for a later entry.

The conditions for doing business in Sweden have improved significantly in the last decade: Sweden became a member of the European Union in 1995, corporate taxes have decreased and are now among the lowest in Europe, and commercial contacts with neighboring former communist countries have expanded rapidly. Combined with the well-educated labor force, outstanding telecommunications network, and stable political environment, Sweden has become more competitive as a choice for American companies establishing a presence in the Nordic region.

According to a recent UNCTAD-report Sweden was the third largest receiver of investment capital in 1999, after the U.S. and United Kingdom. That year was a record high for foreign investment, dominated by the merger between pharmaceutical companies Astra and Zeneca. Even if statistics show that U.S. is only the fourth largest holder of FDI in Sweden, that is mostly due to Swedish companies establishing holding companies in other European countries. If ranked based on the controlling company's homeland the U.S. would be the largest investor. The returns on investments for foreign owned companies have been around 13 percent in recent years.

At the end of 2000, 775 U.S. companies with 100,805 employees were established in Sweden, many of which are active in computer software or hardware, general industrial goods, professional services, or health care. This makes the U.S. the largest country of origin among the foreign owned companies in Sweden, followed by United Kingdom with almost 50,000 employees.

A survey by the Invest in Sweden Agency in 2001 asked foreign companies to grade the investment climate in Sweden compared to rest of Europe. The average value was 6.5 on a 1-10 scale. According to the survey this can be interpreted as neutral bordering on bad. Positives mentioned are competent employees, low corporate tax rates, excellent infrastructure and good access to capital. On the minus side are high cost of labor, rigid labor legislation and the overall high costs in Sweden.

Laws/Rules/Practices Affecting Foreign Investment

During the 1990s Sweden made considerable progress deregulating its product markets. In a number of areas, including electricity and telecommunication markets, Sweden has been at the leading edge of reform. These reforms have resulted in more efficient sectors and lower prices. Never the less a number of practical impediments to direct investments remain in Sweden. These include a fairly extensive, though non-discriminatory, system of permits and authorizations needed to engage in many activities and the dominance of few, very large players in certain sectors, e.g. construction and food wholesaling.

- Description of Banking System

Credit-market institutions in Sweden fall into two main categories, banking institutions and capital-market institutions. In addition to the Central Bank, there are two main types of banks: joint stock banks (commercial banks) and savings banks. There are also a couple of so called ‘member-banks’, i.e. banks formed as economic associations. All the above-mentioned types of banks are - since the amendment of banking legislation in 1969 - entitled to operate in all areas of banking.

In 1986, Sweden issued a charter for the first 12 foreign-owned commercial banks and since 1990 foreign-owned banks have been entitled to open branch offices in Sweden. These branch offices have primarily concentrated on servicing the business sector. Also in 1990, the restrictions concerning foreign ownership of Swedish bank stock were abolished.

The banks' activities are closely supervised by the Swedish Finance Inspectorate (Finansinspektionen) to ensure that all necessary standards are met. Swedish banks' financial statements meet the international standards well and are audited by internationally recognized auditors only.

Several Swedish banks suffered substantial credit losses in early 1990's due to economic recession, and as the bank crisis accelerated in 1992, the government had to engage itself in a series of ad hoc rescue efforts to guarantee the commitments of banks and mortgage institutions toward their depositors and investors. A special agency, the Bank Support Council, was set up to manage the assistance program. The State guarantee was replaced in 1996 by a deposit guarantee, based on EU-directives.

The number of banks in Sweden has decreased substantially through mergers. The total number of commercial banks in Sweden in December 2000 was 41, out of which 18 were foreign affiliates. Meanwhile new, smaller, so-called ‘niche banks’ have been established. These banks tend to concentrate on certain areas of banking services or methods of banking, e.g. ‘dial-in’ banks for banking services by telephone. All major banks are offering banking services through Internet.

However, they may have a new rival as two of the other largest banks, ForeningsSparbanken and Skandinaviska Enskilda Banken (SEB), have agreed upon a merger to form SEB Swedbank AB. The deal is pending EU approval. If the merger occurs, the new company will compete with Nordea (formerly MeritaNordbanken in Sweden) for leadership in the Nordic commercial banking market and it will have ambitions to expand in Europe.

The American banks and financial institutions represented in Sweden are Citibank and GE Capital Bank.

- Foreign Exchange Controls Affecting Trading

Foreign exchange restrictions in Sweden were removed in 1991. Commercial transactions are in general not subject to any restrictions. There are no restrictions on remittances of profits, or from investment liquidation proceeds. Royalty and license fee payments may be freely transferred out of Sweden. Moreover, yields on invested funds, such as dividends and interest receipts, are usually freely transferred.

- General Financing Availability

Sweden does not offer special tax or other inducements to attract foreign capital. Foreign-owned companies enjoy the same access as Swedish-owned enterprises to the country's credit market and government-sponsored incentives to business.

- How to Finance Exports/Methods of Payment

The Swedish Government provides basic export promotion support through the Swedish Trade Council, financed jointly with Swedish industry.

There are two general risks in the financing of foreign trade: the credit risk and the foreign exchange risk although the latter can be avoided by quoting sales in dollars only. Prepayment and letters of credit involve the least risk for the exporter but are not necessarily conducive to increase in sales. After the exporter/importer relationship has been established, U.S. exporters should be open to and consider other trade credit terms.

- Types of available export financing and insurance
- Project financing available

Swedish Export Credit Corporation, financed by the Swedish Government and Swedish industry grants medium- and long-term credits to finance exports of capital goods and large-scale service projects.

- List of banks with correspondent U.S. banking arrangement

Nordbanken AB
Smalandsgatan 17
S-105 71 Stockholm
Tel: Int/46/8-614 7000
Fax: Int/46/8-200846
http://www.nb.se

Nordbanken U.S.
450 Park Avenue
Suite 1401-14th
New York, NY 10022
Tel: (212) 755 3800
Fax: (212) 755 1304

Svenska Handelsbanken AB

Svenska Handelsbanken

Kungstradgardsgatan 2
S-106 70 Stockholm
Tel: Int/46/8-701 1000
Fax: Int/46/8-701 4835
http://www.handelsbanken.se

153 East 53rd Street, 37th floor
New York, NY 10022-4678
Tel: (212) 326-5100
Fax: (212) 326-5196

SE-Banken
Kungstradgardsgatan 8
S-106 40 Stockholm
Tel: Int/46/8-763 8000
Fax: Int/46/8-763 7163
http://www.sebank.se

Skandinaviska Enskilda Banken
245 Park Avenue, 42 floor
New York, NY 10167
Tel: (212) 907-4700
Fax: (212) 370-1709

Citibank
Box 1422
S-111 84 Stockholm
Tel. Int/46/8-723 3400
Fax Int/46/8-611 4843
http://www.citibank.com

Citibank
399 Park Avenue
New York, NY 10043
Tel. (212) 559-1000
Fax (212) 759-3973

- Business Customs

The business traveler to Sweden will quickly realize that while most customs and procedures are similar to the United States there are a few quite noticeable differences. After arriving in the world class Arlanda airport, one can catch a cab to center Stockholm, being sure to ask for the fixed fee before departing, all very standard. The difference is that the cab driver will open the door for you and help you with your luggage.

Swedes tend to be less formal than Americans are in all but two areas, “toasting guests” and dinner parties. The procedure is well defined and best explained by your Swedish host. If one remembers to make strong eye contact before and after a “toast” and not to drink until the host “toasts” you, the rest will fall into place. The guest of honor usually is seated to the left of the hostess and is responsible for offering the “thanks” or behalf of all the guests in a toast to the host and hostess.

There is an anecdote that concludes the Swedish worker is the most efficient in the world, unfortunately he only works 8 months a year. Swedish workers do get 5 weeks of vacation each year. Nothing of import happens in Sweden during the month of July. July begins the day before mid-summer’s night June 20 and ends in mid August. The Christmas celebration actually begins when the country shuts down for the Nobel prize ceremonies December 10, and the St Lucia festival December 13. Business is usually back to normal after Orthodox Christmas in January. The month of May has three official holidays, making it the month of long weekends. Consequently the business traveler should focus on specific periods, e.g., September 15 to December 10, January 15 to April 30, and early June. Business is conducted during the vacation periods, but the senior management is often not available.

Swedish business people appear to be willing to spend more time discussing a situation than do Americans. During a business meeting there is always time to get to know each other and to discuss the program in sufficient detail that all feel comfortable with each other's position. Promptness for meetings and functions is very important, as is organization, be it company matters or an event.

- Travel Advisory and Visa

U.S. travelers to Sweden must have a valid passport. A tourist or business visa is not required for stays up to 3 months. This 90-day period begins when entering the Nordic area: Sweden, Norway, Denmark, Iceland or Finland.

For further information concerning entry requirements for Sweden, travelers can contact the Swedish Embassy at 1501 M Street, N.W., Washington, D.C. 20005, telephone: (202) 467-2600. Sweden has no vaccination requirements.

Medical care is widely available in Sweden. U.S. medical insurance is not always valid out of the United States. Travelers have found that in some cases, supplemental medical insurance with specific overseas coverage has proved to be useful. Further information on health matters can be obtained from the Center for Disease Control International Travelers' telephone hot line at (404) 332-4559.

- Temporary Entry

Sweden honors the ATA Carnet, an international customs document designed to simplify customs procedures for business and professional people taking commercial samples, advertising materials or film, or medical or professional equipment into specified countries for a short period. More than 40 countries participate in the carnet system. The U.S. Council of the International Chamber of Commerce, 1212 Avenue of the Americas, New York, NY 10036-4480 (fax 212-944-0012, tel. 212-354-4480) has been designated by the U.S. Bureau of Customs as the U.S. issuing and guaranteeing organization. U.S. firms should write to the U.S. Council at its New York address to apply for ATA Carnets.

- Holidays

New Year's Day:	January 1
Epiphany:	January 6
Good Friday and Easter Monday	March 29 & April 1
Swedish Labor Day:	May 1
Ascension Day:	May 9
Whit-Monday	May 20
Midsummer Day:	June 22
All Saints Day:	November 2
Christmas:	December 25-26

Offices are also closed on Mid-Summer's Eve, Christmas Eve, and New Year's Eve. Government and many business offices generally close at 1:00 p.m. on the day before major holidays.

- Business Infrastructure

Business infrastructure in Sweden is similar to that in the United States. The two countries have had a long history of educational exchanges at the student and professorial level. Consequently most business leaders have been taught the same operating principles by professors who have collaborated on writing the text. One slight difference may be that the senior business people in Sweden may be a bit more "hands on" then their American counterparts. Perhaps due to the Swedish tradition of social democracy or the great egalitarian concerns, Swedish managers are more consensus builders than decision-makers. Delays in reaching an agreement are less a negotiating tool as in other cultures and more an in-house management activity.

- Guide for Business Representatives

Guides for business representatives are available for sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402; tel. (202) 512-1800; fax. (202) 512-2250. Business travelers to Sweden seeking appointments with the U.S. Embassy Stockholm officials should contact the Commercial Section in advance. The Commercial Section can be reached by telephone at 46-8-783-5346 or by fax at 46-8-660-9181.

10. A. ECONOMIC AND TRADE STATISTICS (U.S. millions except where noted)

	1999	2000	2001(e)
Total exports	84,766	86,898	92,157
Total imports	68,476	72,466	77,069
Exports (from the U.S.)*	4,322	5,075	5,397
Imports (from Sweden to the U.S.)	7,561	8,046	8,533
Exchange rates used:			
US$ 1 equals SEK	8.27	9.17	9.20

Sources: Swedish Central Bureau of Statistics
Ministry of Finance
Embassy forecasts

* Does not include goods entered into Sweden via other EU-countries

10. B. Domestic Economy (U.S. millions except where noted)

	1998	1999	2000	2001(E)
GDP	**239,468**	**240,343**	**224,530**	**230,914**
GDP Growth rate (%)	**3.6**	**4.1**	**3.6**	**2.8**
GDP per capita (USD)	27,046	27,124	25,333	26,057
Gov´t Spending as % of GDP	58.0	57.6	55.4	54.0
Inflation (%)	0.4	0,3	1.3	1.6
Unemployment (% of workforce)	6.5	5.6	4.7	3.9
Foreign exchange reserves	17,138	18,469	17,706	n/a

Average exchange rate (for USD 1)	8.0	8.3	9.2	9.2
Debt service ratio	n/a	n/a	n/a	n/a

(E) = estimated

Investment Statistic

Swedish Investment Abroad expressed in millions SEK

A negative value indicates an outflow, where investment abroad is larger than disinvestment. A positive value is a net disinvestment, where disinvestment abroad is larger than investment.

Year	1998	1999
Year end Exchange rate (SEK per 1 USD)	8.06	8.52
	------	------
Austria	457	65
Belgium, Luxembourg	2471	6479
Canada	1594	1122
Denmark	-666	-9256
Finland	- 77706	8744
France	1299	-2625
Germany	-123	-4546
Great Britain	-3361	-17933
Greece	26	-2
Ireland	-4903	-4304
Italy	1807	-2382
Japan	-186	54
Netherlands	-2476	-7480
Norway	-4408	-8858
Portugal	244	-233
Spain	-1934	-277
Switzerland	-3032	7814
USA	-19836	-27114
Other Countries	-32460	-39327
Reinvested Profits	-44740	-62605
Total	-193719	-162664
Total EU	-84863	-46707
Total OECD	-120938	-76765

Source: Riksbanken (The Swedish Central Bank), Balance of Payments, April 2000

10. C. Country Data

Population: 8.9 million
Population Growth rate: 0 percent

Religions: Lutheran 94 percent, other 6 percent
Government System: Constitutional monarchy
Language: Swedish
Work Week: Monday – Friday, 40 hrs

- Government Agencies

The Swedish National Rail Administration
(Banverket)
SE-781 85 Borlange
Phone: 46/243/44 50 00
Fax: 46/243/44 50 09
Web address: banverket.se

The Swedish Defense Materiel Administration
(FMV)
SE-115 88 Stockholm
Phone: 46/8/782 4000
Fax: 46/8/667 5799
Web address: fmv.se

The Swedish Civil Aviation Administration
(Luftfartsverket)
SE-601 79 Norrkoping
Phone: 46/11/19 20 00
Fax: 46/11/19 25 75
E-mail: luftfartsverket@hk.lfv.se
Web address: lfv.se

The Swedish National Post & Telecom Agency
(Post & Telestyrelsen)
Box 5398
SE-102 46 Stockholm
Phone: 46/8/678 5500
Fax: 46/8/678 5505
E-mail: pts@pts.se
Web address: pts.se

The Swedish National Police Board
(Rikspolisstyrelsen)
Box 12256
SE-102 26 Stockholm
Phone: 46/8/401 9000
Fax: 46/8/401 9990
E-mail: info@rps.police.se
Web address: police.se

The Swedish Maritime Administration
(Sjofartsverket)
SE-601 78 Norrkoping

Phone: 46/11/19 10 00
Fax: 46/11/10 78 41
E-mail: hk@sjofartsverket.se
Web address: sjofartsverket.se

Swedish National Food Administration
(Statens Livsmedelsverk)
Box 622
SE-751 26 Uppsala
Phone: 46/18/17 55 00
Fax: 46/18/10 58 48
Web address: slv.se

The Swedish Board of Customs and Excises
(Tullverket)
Box 12854
SE-112 98 Stockholm
Phone: 46/8/0771 520 520
Fax: 46/8/20 80 12
E-mail: info@tullverket.se
Web address: tullverket.se

The Swedish National Road Administration
(Vagverket)
SE-781 87 Borlange
Phone: 46/243/750 00
Fax: 46/243/758 25
E-mail: vagverket@vv.se
Web address: vv.se

The Swedish Agency for Administrative Development
(Government Procurement Office)
Box 2280
SE-103 17 Stockholm
Phone: 46/8/454 4600
Fax: 46/8/791 8972
E-mail: statskontoret@statskontoret.se
Web address: statskontoret.se

Statistics Sweden
Box 24300, 104 51 STOCKHOLM
Phone: 46/8/506 940 00
Fax: 46/8/661 52 61
E-mail: scb@scb.se
Web address: scb.se

Swedish National Board for Industrial and Technical Development
(NUTEK)
Liljeholmsvagen 32
SE-117 86 Stockholm
Phone: 46/8/681 9100

Fax: 46/8/19 68 26
E-mail: nutek@nutek.se
Web address: nutek.se

Swedish National Board of Trade
(Kommerskollegium)
Box 6803
SE-113 86 Stockholm
Phone: 46/8/690 4800
Fax: 46/8/30 67 59
E-mail: info@kommers.se
Web address: kommers.se

- Trade Associations

Svensk Handel
Mr. Carl-Johan Westholm, President
SE-103 29 Stockholm
Phone: 46/8/762 7700
Fax: 46/8/762 7777
E-mail: info@svenskhandel.se
Web address: svenskhandel.se

The Federation of Swedish Commercial Agents
(Agenturforetagens Forbund i Sverige)
Ms. Anna Wigardt Duhs, President
Box 1137
SE-111 81 Stockholm
Phone: 46/8/411 0022
Fax: 46/8/411 00 23
E-mail: mail@agentureforetagen.se
Web address: agenturforetagen.se

IT-foretagen (The Association of the Swedish IT and Telecom Industry)
Ms. Ylva Hambraeus Bjorling, President
Box 5501
SE-114 85 Stockholm
Phone: 46/8/783 8300
Fax: 46/8/667 0461
E-mail: info@itforetagen.se
Web address: itforetagen.se

Confederation of Swedish Enterprise
(Svenskt Naringsliv)
Mr. Goran Tunhammar, President
SE-114 825 Stockholm
Phone: 46/8/553 430 00
Fax: 46/8/553 430 99
E-mail: info@svensktnaringsliv.se
Web address: svensktnaringsliv.se

MTB (mobile phone equipment suppliers)
Mr. Arvid Brandberg, President
Box 1416
SE-111 84 Stockholm
Phone: 46/8/508 938 21
Fax: 46/8/508 938 01
E-mail: mtb@branschkansliet.se

- Chambers of Commerce

Stockholm Chamber of Commerce
Mr. Torbjorn Hogberg, Director Int'l Department
Box 16050
SE-103 21 Stockholm
Phone: 46/8/555 100 00
Fax: 46/8/566 316 00
E-mail: info@chamber.se
Web address: chamber.se

American Chamber of Commerce
Ms. Marianne Raidna Wali, Executive Director
Box 16050
SE-103 21 Stockholm
Phone: 46/8/506 126 10
Fax: 46/8/506 129 10
E-mail: amcham@chamber.se
Web address: amchamswe.se

Gothenburg Chamber of Commerce
Mr. Anders Kallstrom, President
Box 5253
SE-402 25 Gothenburg
Phone: 46/31/83 59 00
Fax: 46/31/83 59 36
E-mail: info@handelskammaren.net
Web address: west.cci.se

Malmo Chamber of Commerce
Mr. Stephan Muchler, President
Skeppsbron 2
Se-211 20 Malmo
Phone: 46/40/690 2400
Fax: 46/40/690 2490
E-mail: info@handelskammaren.com
Web address: handelskammaren.com

- Market Research Firms

Borell Market Research AB
Mr. Sten Lexeus, President
Baldersgatan 2

SE-114 27 Stockholm
Phone: 46/8/24 35 30
Fax: 46/8/24 40 15
Web address: borell.se

Sifo Research and Consulting
Mr. Mikael Paltschik, President
Linnegatan 87
SE-114 78 Stockholm
Phone: 46/8/507 420 00
Fax: 46/8/507 420 01
E-mail: info@sifo.se
Web address: sifo.se

Gartner Group (specializes in ICT research)
Mr. Per Lindén, President
Box 1500
SE-171 29 Solna
Phone: 46/8/624 6300
Fax: 46/8/624 9939
Web address: gartner.com

IDC (specializes in ICT research)
Mr. Pelle Hallberg, President
Box 1096
SE-164 21 Kista
Phone: 46/8/751 04 15
Fax: 46/8/750 5888
Web address: idc.com

U.S. Embassy Contacts

- American Embassy

Mr. Thomas Kelsey, Senior Commercial Officer
Dag Hammarskolds Vag 31
SE-115 89 Stockholm
Phone: 46/8/783 5346
Fax: 46/8/660 9181
Web address: usatrade.gov/Sweden

Ms. Lana Bennett, Agricultural Counselor
Dag Hammarskolds Vag 31
SE-115 89 Stockholm
Phone: 46/8/783 5390
Fax: 46/8/662 8495
Web address: usemb.se/agriculture

- Washington-Based U.S. Government Contacts

U.S. Department of Commerce

International Trade Administration
Market Access and Compliance
Ms. Erin Cole
Desk Officer, Nordic Countries
Room H-3520
Washington, D.C. 20230
Phone: 202/482 6008

U.S. Department of Agriculture
Mr. Andrew Burst, Eastern Europe and Eurasia Area Officer
Foreign Agricultural Affairs
Washington, D.C. 20250
Phone: 202/690 4053
Fax: 202/690 2909
E-mail: bursta@fas.usda.gov

TPCC Trade Information Center
Phone: 1/800/USA-TRADE
Fax: 202/482 4473
Web address: tradeinfo.doc.gov

U.S. Department of State
Office of Commercial and Business Affairs
2201 C Street ,NW
Room 2318
Washington, DC 205 20
Phone: 202/647 1625
Fax: 202/647 3953
E-mail: cbaweb@state.gov

- U.S. Based Multipliers

Embassy of Sweden
Mr. Lars Bjerde, Government Procurement
1501 M. Street N.W.
Washington, D.C.   20005-1702
Phone: 202/467 2600
Fax: 202/467 2688

Swedish Trade Council
Ms. Eva Nilsson, Trade Commissioner
150 North Michigan Avenue
Suite 1200
Chicago, IL 60601
Phone: 312/781 6222
Fax: 312/346 0683
Toll-free: 888-ASK-SWED(EN), (888-275-7933)
E-mail: info@swedentrade.com
Web address: swedishtrade.com

Swedish-American Chamber of Commerce

Ms. Renee Lundholm, President
599 Lexington Avenue
New York, NY 10022
Phone: 212/838 5530
Fax: 212/755 7953
E-mail: business-services@saccny.com

Bibliography of available Industry Sector Analyses and for FY 2001:

ISA Reports

Advertising Services 11/28/00
Airport Development Projects in Sweden 09/30/00
Apparel: Sports and Casual Ware due 09/11/01
Automotive Parts and Accessories 05/15/01
Biotechnology - Medical due 08/24/01
Energy Services due 09/30/01
Fast Food/Restaurant Franchise 09/30/00
Hazardous Waste Management 09/30/00
Home Health Care and Rehabilitation Equipment 08/01/00
Industrial Organic and Inorganic Chemicals 11/23/00
M-Commerce 3/28/01
Process Control Market due 09/30/01
Semiconductors 04/21/01
Tourism Infrastructure 03/28/01
Value-Added Telecommunication Services 10/19/00
Water Purification Equipment and Services due 09/14/01

All the above reports are available at http://www.usatrade.gov

ISA Reports to Be Produced in FY2002

Electronic Components Market 09/30/02
ICT Trends 06/30/02
Safety & Security Equipment and Services 06/30/02
Remediation of Contaminated Sites - Equipment and Services 05/31/02
Bioinformatics 03/31/02
Medical Equipment/Electromedical Equipment 03/29/02
Renewable Energy 01/31/02
Vehicles 05/31/02
E-Commerce in Travel & Tourism 06/31/02
Sporting Goods 09/01/02

IMI Reports Produced during FY2001 (sample list)

Analysis of the Swedish IT and Mobile Telephony Market
Biotech Forum, November 2001
Competition in the Swedish Internet Market
Foreign Direct Investment in Sweden to Pick up
Increase in Venture Capital Firms in Sweden

Marketing Tool for Travel & Tourism
New Car Sales Plummet
Safety & Security Market Growing in Sweden
Swedes Love to Gamble
Swedish Truck Market
The Swedish Pharmaceutical Market

These and 70 more IMI reports on Sweden are available at http://www.usatrade.gov

2001

October 24-27	Swedental, Stockholm Organizer: Stockholm International Fairs
November 19-22	Scanautomatic 2001,Stockholm (ind. automation) Organizer: Stockholm International Fairs
November 28-30	Med.xpo 01, Stockholm Organizer: Stockholm International Fairs
November 28-30	BioTech Forum, Stockholm Organizer: Stockholm International Fairs

2002

January 15-18	Elektronik/EP, Stockholm Organizer: Stockholm International Fairs
January 22-24	Comdex Nordic, Gothenburg Organizer: The Swedish Exhibition & Congress Center
January 30 - February 2	Auto Teknik (automotive), Jonkoping Organizer: Elmia AB
March 19-23	Nordbygg 2002, Stockholm (construction) Organizer: Stockholm International Fairs
March 21-24	TUR, Gothenburg Organizer: The Swedish Exhibition & Congress Center
May 14-6	Vise/Vibex (automotive), Gothenburg Organizer: The Swedish Exhibition & Congress Center
August 22-25	Lastbil (truck exhibition), Jonkoping Organizer: Elmia AB
September 3-5	Energiteknik, Gothenburg

Organizer: The Swedish Exhibition & Congress Center

September 3-6	Elmia Waste & Recycling, Stockholm Organizer: Stockholm International Fairs
September 25-27, 2002	Networks Telecom, Stockholm Organizer: Stockholm International Fairs
September 25-27	SecureIT (information security), Stockholm Organizer: Stockholm International Fairs
November	Internet World, Stockholm Organizer: Sollentunamassan

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